Report for Q3 2009

- Orders received and margins
- Highlights
- Development per segment
- Geographical development
- Financials
- Outlook

Mr. Lars Renström
President and CEO
Alfa Laval Group
Key figures

July – Sep 2009

- Orders received dropped 30% to SEK 5,071 million.
- Net sales down 18% at SEK 5,814 million.
- Adjusted EBITA down 31% at SEK 1,002 million.
  - Positive currency effect SEK 108 million.

January – Sep 2009

- Orders received dropped 33% to SEK 16,112 million.
- Net sales down 13% at SEK 19,483 million.
- Adjusted EBITA down 23% at SEK 3,432 million.
  - Positive currency effect SEK 306 million.
Orders received

SEK million

= rolling twelve months value

= order intake per quarter

+xx% = % development at constant rates by quarter, year on year

Q305  Q405  Q106  Q206  Q306  Q407  Q107  Q207  Q307  Q408  Q108  Q208  Q308  Q409  Q109  Q209  Q309

+25%  +23%  +28%  +35%  +17%  +40%  +36%  +13%  +30%  +9%   +89%  +3%   +15%  +32%  +37%  +30%

Q106  Q405  Q107  Q305  Q406  Q108  Q206  Q306  Q407  Q109  Q207  Q307  Q408  Q108  Q208  Q308  Q409

+28%  +23%  +25%  +28%  +23%  +25%  +30%  +28%  +25%  +30%  +28%  +25%  +30%  +28%  +25%  +30%  +28%
## Order analysis

<table>
<thead>
<tr>
<th></th>
<th>July – Sep. 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2008</strong> (SEK millions)</td>
<td>6,784</td>
</tr>
<tr>
<td>Structural change, %</td>
<td>+ 1.4</td>
</tr>
<tr>
<td>Currency effects,%</td>
<td>+ 4.7</td>
</tr>
<tr>
<td>Organic development, %</td>
<td>- 31.4</td>
</tr>
<tr>
<td>Total, %</td>
<td>- 25.3</td>
</tr>
<tr>
<td><strong>2009</strong> (SEK million)</td>
<td>5,071</td>
</tr>
</tbody>
</table>

Source: www.alfalaval.com
Organic development

- Marine cancellations: -1.1%
- Marine orders: -9.5%
- Orders other segments: -20.8%

Q308 vs Q309
Adjusted EBITA / margin *

SEK millions and in percent of sales

*Adjusted EBITA – “Earnings before interests, taxes, amortization of goodwill and step up values and comparison distortion items.”

www.alfalaval.com
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Highlights during the quarter

Large orders, total SEK 175 million (200)

* Refinery order in Russia.
  Order value SEK 110 million. Delivery in 2010.
Highlights during the quarter

Large orders, total SEK 175 million (200)

* Refinery order in Russia.

* Order for spiral heat exchangers from Russian refinery.

  Value SEK 65 million. Delivery in 2010.
Highlights during the quarter

Acquisitions

* PHE Indústria e Comércio de Equipamentos – Brazilian service company.

PHE services plate heat exchangers in a variety of industries. The company had sales of about SEK 45 million in 2008 and some 35 employees.
Highlights during the quarter

Acquisitions

- PHE Indústria e Comércio de Equipamentos – Brazilian service company.
- LHE – South Korean heat exchanger company.

LHE targets the market for compact and welded heat exchanger. The company had sales of about SEK 750 million in 2008 and some 170 employees.
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Orders received by customer segment

July – Sept 2009, at constant rates

- Life Science
- Process Industry
- Energy & Environment
- Food
- Parts & Service
- Comfort & Refrigeration
- Marine & Diesel
- Fluids & Utility
- OEM
- Sanitary

www.alfalaval.com
Orders received by customer segment

Sequential development 3Q versus 2Q, at constant rates

Life Science
Process Industry
Energy & Environment
Food
Parts & Service
Comfort & Refrigeration
Marine & Diesel
Fluids & Utility
OEM
Sanitary

www.alfalaval.com
Orders received by customer segment

Process Technology Division July – Sept 2009, at constant rates

- Life Science
- Process Industry
- Energy & Environment
- Food

- Slight growth vs second quarter, driven by Process Industry.
- Refinery grew year on year.
Orders received by customer segment

Equipment Division, July – Sept. 2009, at constant rates

- Weak demand in Comfort & Refrigeration
- Slight growth in total vs second quarter, driven by Marine & Diesel
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Orders received by Region
July – Sept 2009, at constant rates

- North America 17%
- Western Europe 28%
- Nordic 10%
- Centr. & East 8%
- L. America 5%
- Other 2%
- Asia 30%

-39
-28
-25
-17
-7
-38
Orders received by Region
Sequential development Q3 versus Q2, at constant rates

- North America 17%
- Western Europe 28%
- Centr. & East 8%
- Nordic 10%
- L. America 5%
- Other 2%
- Asia 30%

Sequential development Q3 versus Q2, at constant rates:
- Europe -12%
- Asia +35%
- Other -3%
- L. America +50%
Highlights Americas
July – Sept. 2009, at constant rates

**North America**
- U.S. order intake on about the same level as in the second quarter.
- Parts & Service grew vs second quarter.

**Latin America**
- Order intake in the region grew compared to second quarter.
- Broad and general improvement, driven by food in general and Process Industry.
Highlights Europe
July – Sept. 2009, at constant rates

Western Europe incl. Nordic
- All segments, except Food and Life Science, declined.

Central and Eastern Europe
- Growth compared to second quarter, due to large orders in Russia.
Asia

- Continued negative effect from Marine.
- Good development in Sanitary and Energy & Environment.
- Order intake in the region grew compared to second quarter.
Orders received by Region
January – Sept 2009, at constant rates

- North America 17%
- Western Europe 28%
- Centr. & East 8%
- Nordic 10%
- L. America 5%
- Other 2%
- Asia 30%

Orders decreased:
-29%
-35%
-24%
-25%
-45%
-24%
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Mr. Thomas Thuresson
CFO
Alfa Laval Group
## Highlights

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<td>Profit before tax</td>
<td>901</td>
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**Overview cost and capacity adjustment**
- update as per September 30th, 2009

<table>
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<tr>
<th>Total estimated savings:</th>
<th>SEK &gt; 900 m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings achieved in Q3:</td>
<td>SEK 220 m</td>
</tr>
</tbody>
</table>

- Savings from January program – full impact from Q4 2009
- Savings from further measures – full impact from Q1 2010

Capacity reduction targeted with initiated savings: 25 - 35%

<table>
<thead>
<tr>
<th>Total estimated reduction in FTE’s:</th>
<th>1,700</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reductions as per September 30th</td>
<td>1,150</td>
</tr>
</tbody>
</table>
- of which work-sharing represents approx. 80 FTE’s
## Earnings per share

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2008</td>
</tr>
<tr>
<td>Earnings</td>
<td>1.65</td>
<td>2.32</td>
</tr>
<tr>
<td>Earnings, excluding step-up</td>
<td>1.80</td>
<td>2.43</td>
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</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>1,428</td>
</tr>
<tr>
<td>ROCE</td>
<td>37.4%</td>
</tr>
<tr>
<td>ROE</td>
<td>28.1%</td>
</tr>
</tbody>
</table>
## Cash-flow statement

<table>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- operating activities</td>
<td>3,781</td>
<td>3,185</td>
</tr>
<tr>
<td>- investing activities</td>
<td>-2,541</td>
<td>-1,174</td>
</tr>
<tr>
<td>Financial net paid</td>
<td>-153</td>
<td>-192</td>
</tr>
<tr>
<td>Total</td>
<td>1,087</td>
<td>1,819</td>
</tr>
</tbody>
</table>

| Pro Forma Free-cash-flow* | 3,324 | 2,539 |

*Incl. operating activities, capital expenditure and financial net paid.*
<table>
<thead>
<tr>
<th>SEK million</th>
<th>Q3 09</th>
<th>9M 09</th>
<th>WY 09</th>
<th>WY 10*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Translation effect</td>
<td>66</td>
<td>364</td>
<td>425</td>
<td>-</td>
</tr>
<tr>
<td>Transaction effect</td>
<td>42</td>
<td>-58</td>
<td>-70</td>
<td>340</td>
</tr>
<tr>
<td>Total</td>
<td>108</td>
<td>306</td>
<td>355</td>
<td>340</td>
</tr>
</tbody>
</table>

*Based on EUR/USD 1.46 and EUR/SEK 10.20
Order backlog as per Sep. 30

SEK millions

<table>
<thead>
<tr>
<th>Year</th>
<th>For delivery next year or later</th>
<th>For delivery during rest of current year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>9,058</td>
<td>6,256</td>
</tr>
<tr>
<td>2008</td>
<td>9,306</td>
<td>6,567</td>
</tr>
<tr>
<td>2009</td>
<td>7,705</td>
<td>5,487</td>
</tr>
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For delivery during rest of current year

For delivery next year or later
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Outlook for the fourth quarter

“We expect demand during the fourth quarter to be on about the same level as during the third quarter 2009.”
Capital Markets Day, Nov 17

* Hilton Hotel, Copenhagen Airport, Denmark
* 10:30 a.m. – 4:30 p.m. CET
* Business update
* Divisional presentations, including new environmental technology trends – such as carbon capture and heat pumps using carbon dioxide as a refrigerant.